

Dear Honorable Judge Glenn,

My name is Stephen Bralver. I am not a lawyer. I am a hardworking middle class husband and father who is struggling to make ends meet, every single week. At the moment, I have under \$1,000 in my Wells Fargo checking account, which, as a result of the freeze, is my only source of funds to provide for my family. I live in California, where everything is egregiously expensive, and there is absolutely no way that I can continue to provide without access to my assets at Celsius. **I request an immediate release of my funds under several pretenses, the first and foremost reason being that this is an EMERGENCY situation, simply to keep a roof over my family and food on their table.** Below I will list several more possible "legal" reasons that I request immediate relief and access to my funds:

I read the "First Days" document, that includes the Declaration of CEO Alex Machinsky. I have several points to address.

*5. The terms of use that form the basis of the contract between Celsius and its users explicitly state that in exchange for the opportunity to earn rewards on assets, users transfer "all right and title" of their crypto assets to Celsius including "ownership rights" and the right to "pledge, re-pledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer or use" any amount of such crypto, whether "separately or together with other property", "for any period of time," and "without retaining in Celsius' possession and/or control a like amount of [crypto] or any other monies or assets, and to use or invest such [crypto] in Celsius' full discretion."*<sup>4</sup> A version of this statement has been in every version of Celsius' "Terms of Use" since 2018.<sup>5</sup> And since 2019, the Company has been clear that it might "experience cyber-attacks, extreme market conditions, or other operational or technical difficulties which could result in immediate halt of transactions either temporarily or permanently."<sup>6</sup>

This has been buried deep in the Terms. It needed to be up front. Also, it needed to present that USDC was included in this risk, as USDC is described as a money market 1:1 dollar equivalent. Additionally, no person would ever allow a financial company to hold their money under the pretense they could take it permanently. Unless this was term number 1, it doesn't suffice and seems to me that it's a way for a company to engage in theft. **I request you view this contract as unconscionable, and that it immediately becomes null and void.**

Furthermore, those investments when outside of the companies claimed sources should be presented. The company claimed to make money selling loans. Never did I know the company was using my money in a hedge fund like manner and buying mining equipment or investing in other exchanges and staking money into pools that become illiquid. The document states the company was engaged in spot trading, swing trading, etc. All of this was not disclosed, and I would never leave my money in a place that does this. My understanding was the company had rights to use my money to provide loans to other individual users. In exchange, I get a weekly reward. **Lack of transparency should not be protected by a one all sentence inside the original Terms. Especially when their website states NEXT LEVEL TRANSPARENCY in big bold letters.**

*8. In October 2021, the Company expanded its business by purchasing non-Debtor GK8 Ltd. ("GK8"), an Israeli company, for \$115 million. GK8 provides a market leading "cold" storage platform for crypto assets. In December 2021, Celsius announced the first closing of its Series B equity funding with a capital raise of approximately \$600 million from various investors at an implied enterprise value of approximately \$3 billion. By May 2022, the Company had raised*

*approximately \$690 million from its Series B financing, with all but \$6 million of that amount funded.*

Same as above. None of this was presented to me at any time, and since this was a completely different business model that Alex consistently spoke of on his weekly video chats, I find this nothing short of deception.

*ii. Earn Services*

*47. Earn. Through the Company's "Earn" program, users who transfer certain cryptocurrencies to Celsius earn "rewards" in the form of payment in-kind interest ("PIK Interest") or CEL Tokens on their assets. Users can earn up to 17 percent annual percentage yield ("APY") on certain digital assets and such rates are published by the Company on a weekly basis on the Celsius App (as defined herein). On average, users earn a 4.5–5 percent APY on assets transferred to Celsius under the Earn program. In the Earn program, users transfer their digital assets onto the Celsius platform and all rights and title to such digital assets are transferred to Celsius. Celsius is then permitted to use the assets in its sole discretion, including rehypothecating those assets (e.g., using those assets as collateral to take out additional loans) to generate a yield for Celsius. Celsius then pays rewards to users based on the rates published in advance, and regardless of the yield generated by Celsius.*

I am not sure how this means they can use my money to buy Ethereum or invest in other platforms like Terra Luna, to which they do not own.

*iv. Custody Service*<sup>58</sup>. In April 2022, the Company began providing a new type of service marketed to its users located in the U.S. called the Celsius Custody Service. For eligible users, "Custody Service" serves as the central hub of their digital asset account at Celsius, enabling the user to navigate from Celsius' "Custody Wallet" to various Celsius products (based on the availability of those products in the user's jurisdiction). For example, an eligible customer could elect to transfer their cryptocurrency from the "Custody Service" program to the Earn program to earn rewards. For clarity, crypto assets held solely in "Custody Service" do not earn rewards from the Earn program as crypto assets held in custody shall "at all times remain with the [user]" and "Celsius will not transfer, sell, loan or otherwise rehypothecate" digital assets in custody unless "specifically instructed by [users], except as required by valid court order, competent regulatory agency, government agency or applicable law."<sup>10</sup> Pursuant to the "Terms of Use," the Company is, however, entitled to set-off any obligations owed by a user to the Company against the user's<sup>10</sup> See paragraph 4.B., Celsius' "Terms of Use," as of April 14, 2022. assets held in custody.<sup>11</sup> Because all user assets are comingled, custody users are not entitled to the return of their specific digital assets, but rather the return of the same type of digital asset.

At this point, no Terms were sent or presented for how the Earn program was still at risk of having the company take my money permanently. **I should have received NEW TERMS when this change occurred.** For this reason alone, all contracts regarding my Earn account should be reconsidered.

*61. Celsius Accounts are not bank accounts, deposit accounts, savings accounts, checking accounts, or any other types of asset accounts. Rather, Celsius Accounts are designated user accounts on the Celsius App that (a) grant users access to Celsius' platform and to use its services, (b) show the balance of users' digital assets held in either the "Custody Service" or*

*transferred to Celsius for use in the Earn program, (c) show users' gained rewards, and (d) permits users to manage their personal information and profile.*

On the weekly AMA video chats, Machinsky describes how these accounts are like checking accounts, as people use them to help pay their day to day expenses. He also said again and again Celsius has more money than any other platform in the space, and could liquidate immediately if necessary. **His claims that my money is "safe" at Celsius was ironically a lie, as it was Mashinky and his team that were the real danger, of how they were secretly handling it.**

*H. These Chapter 11 Cases and Next Steps<sup>131</sup>. These chapter 11 cases provide the Debtors and the Company as a whole with the best opportunity to stabilize its business, consummate a comprehensive restructuring transaction that maximizes value for all stakeholders, and emerge from chapter 11 positioned for success in the cryptocurrency industry. To date, the Company has taken significant strides to preserve assets by stopping its traditional asset deployment strategies. As a result, on the Petition Date, the Company now holds approximately \$4.31 billion in assets with only \$780 million in non-user liabilities.*

**The company has enough money to release my funds for improper disclosure.**

*132. To bridge this gap in its balance sheet, the Company plans to engage with all constituencies, including the official committee of unsecured creditors (which will likely include mostly users), in a productive dialogue with the hope of building consensus around the Debtors' potential chapter 11 plan of reorganization and, ultimately, a transaction that will maximize the value of the Company's business for the benefit of the Company's creditors. One way the Debtors intend to achieve this goal is by using the Bitcoin "minted" by Mining to address its current cryptocurrency deficit.*

Bottom line - it is reprehensible, disgusting and egregious, that Celsius publicly lied, acted in a deceitful manner, and has frozen access to my savings, **yet this week alone, they continue to pay their board members and their staff over \$4 Million dollars, yet I'm stuck wondering how I can pay my rent next month.** I want nothing to do with this company, now that Alex's lies have been exposed, my trust has been broken, their claim of transparency is complete baloney, and I'm emotionally crushed, wondering how I will get through this.

**Not for myself, but for my family (the real victims), please immediately allow access to my money to be withdrawn.** I'm strongly considering finding legal counsel, but unfortunately, I cannot even afford a consultation at the moment. No CEO should be able to pad his pocketbook during this time, while crushing myself, who is simply trying to get by, and was duped by his repeated lies.

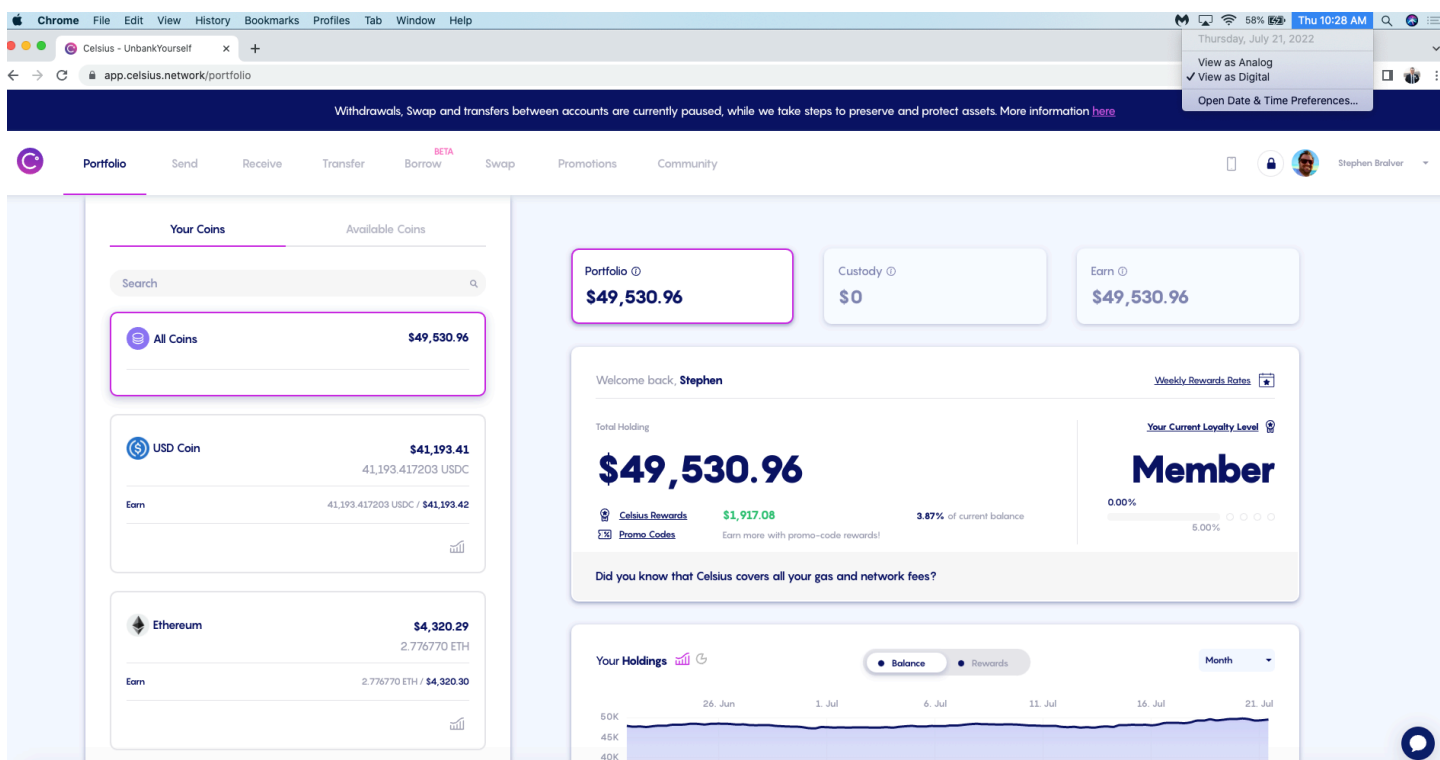
Sincerely,  
Stephen Bralver  
(805) 660-0387  
stevebralver@gmail.com

**Exhibit L**

**The Debtors' Payroll for the 30-Day Period  
Following the Filing of the Debtors' Chapter 11 Petitions**

Pursuant to Local Rules 1007-2(b)(1)–(2)(A) and (C), the following provides, for the 30-day period following the Petition Date, the estimated amount of weekly payroll to the Debtors' employees (exclusive of officers, directors, and stockholders), the estimated amount paid and proposed to be paid to officers, stockholders, and directors, and the amount paid or proposed to be paid to financial and business consultants retained the Debtors.

<b>Payments</b>	<b>Payment Amount</b>
Payments to employees (not including officers, directors, and stockholders)	\$ 3,450,169
Payments to officers, directors, and stockholders	\$ 730,833
Payments to financial and business consultants	\$0



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Buy, Borrow, Swap & Earn Cry: x

celsius.network

Withdrawals, Swap and transfers between accounts are currently paused. More info here →


Monday, July 18, 2022


View as Analog  
✓ View as Digital  
Open Date & Time Preferences...

Sign in Get Started 1-866-HODL-NOW

# Next-level transparency

Celsius brings the transparency of decentralized finance to a centralized company.





**Proof of Community**  
Celsius has partnered with Horizen Labs to prove liquidity at any moment through the blockchain, without relying on external auditors or disclosing customer information.  
[See more →](#)